Minnesota's Region 10 Quality Assurance Pilot Project for ICFs/MR

§1115 Waiver Request

January 2001

Executive Summary

The Minnesota Depamnent of Human Services, in conjunction with the counties of Region 10 in southeastern Minnesota, is seeking federal authority to waive provisions of Medicaid intermediate care facilities for persons with mental retardation (ICF/MR) regulations to. permit an alternative quality assurance system to be tested on a demonstration basis.

The purpose of the Region 10 Quality Assurance Pilot Project is to provide alternative licensing and certification standards and methodologies designed to monitor and continually improve the quality of services and supports for people with developmental disabilities. Under the project, a county within the designated region may choose to have all licensed services and programs serving people with developmental disabilities located within their county licensed and certified using standards determined under an alternative quality assurance licensing system. Each of the participating counties will evaluate the services and supports received by people with developmental disabilities using the alternative quality assurance review process and make recommendations regarding the continued licensure and certification of service providers to the State commissioners of human services and health on that basis.

The evaluation techniques and processes developed for project implementation are based on the premise that an individualized, outcome-based approach to defining and evaluating service quality is more effective than the more standardized, process-oriented approach under the traditional quality assurance system. Specific aspects of the project's design make it unique from other quality assurance models and merit an evaluation of the system's ability to evaluate consumer satisfaction and improve service quality. These distinguishing factors include the active involvement of volunteers and community members, with the support of state and local government, in the system's development and implementation; comprehensive and continuous quality improvement mechanisms at multiple levels Of the service delivery system; and a consumer-oriented review process which transcends an individual's living arrangement and includes all services and supports received by an individual.

The quality assurance pilot project described in this application will enable Minnesota to assess the benefits of this alternative approach and will serve to enhance Minnesota's knowledge base regarding best practice in evaluating and improving the quality of services available to people with developmental disabilities.

Section One - Background and Importance of Project

1.1 Impetus Behind Project Development

Since the deinstitutionalization movement of the 1970s the residential care system has experienced a steady movement of people with developmental disabilities from large congregate care settings to what are generally seen as vastly improved community-based living arrangements. Nationally, the residential care system in the United States has become primarily a community-based system. The community ICF/MR certification standards developed to support this 'commtmity majority' have played a historical role in assuring a safe, humane environment for people with disabilities.

The emphasis over the past two decades on building community-based service capacity is evolving. Increasingly people are looking at ways in which to foster more meaningful participation and membership in the communities in which people with developmental disabilities now reside. With this has come an interest in developing more effective ways in which to measure the qualitative differences that should be evident in community-based services.

As services to people with developmental disabilities evolve toward more individualized, consumer-oriented systems of support, the adequacy and value of traditional approaches to defining and monitoring the quality of these services continue to be challenged. There is an increasing focus on the quality of life of people with developmental disabilities. With this has come the recognition that service quality is individually defined based on each consumer's needs, preferences and desired outcomes. Consumers and their advocates have argued that regulatory and procedural requirements intended to assure program-wide standards for safe and effective service provision are overly prescriptive, lack the flexibility to meet consumer needs and have limited relationship to the quality of life of people receiving services. As a result, there has been a growing interest in outcome-based quality assurance systems which emphasize consumer-oriented evaluation structures, provide more opportunities for consumers to effect service improvements, and increase the service delivery system's ability to respond to the individual preferences and needs of the consumers it supports.

A related phenomenon is the gradual shift toward more dynamic, collaborative quality assurance systems which strive to continually improve and enhance the efficiency and effectiveness of the service being evaluated. Quality assurance systems have traditionally involved the assessment of program compliance with standardized procedures accompanied by sanctions against providers delivering substandard care. While these systems have been effective in assuring minimum levels of service quality, they do relatively little in attempting to directly improve the quality of care provided. Increasingly, the focus on quality assurance in human services is moving toward more comprehensive strategies which have both the summative capacity to simply assess quality as well as a formative capacity to enhance the quality of services.

Current regulatory structures and processes tend to be organized around the state and federal programs that finance them. Because individuals with developmental disabilities often receive supports through multiple programs, the quality assurance

systems developed to assure and protect have become duplicative and overbearing on the one hand while also being disparate and disjointed with little relevance to the consumer's overall experience on the other. As community-based service options continue to evolve it is important that the approach to quality assurance not be differentiated by program financing. Trends in service delivery for people with developmental disabilities today demand that quality assurance systems transcend these administrative structures and categorical funding streams in order that the focus may ultimately be on the desired service outcomes of each consumer.

In Minnesota, the implementation and evaluation of the Self-Determination Project, funded through-a grant from the Robert Wood Johnson Foundation, has served to bring a number of issues facing consumers with developmental disabilities to the forefront. The three-year project was created to establish a framework for changing the current delivery systems so as to promote individualized choice and control for people with developmental disabilities. Minnesota's experience with the self determination project has not only been a compelling force behind the expansion of consumer-directed service options but has also emphasized the need to assess current approaches to defining and evaluating service quality.

In response to the collaborative efforts of key stakeholders to address the need for change, the Minnesota Legislature has established a quality assurance pilot project for the purpose of evaluating and improving the quality of services provided to people with developmental disabilities.[1] The Region 10 Quality Assurance Pilot Project is to be implemented in eleven counties located 'in the geographic area of southeastern Minnesota known as Region 10. The initiative is a result of a grassroots effort by stakeholders in Region 10 to test an alternative quality assurance system developed and implemented at the local level. Under the Region 10 Quality Assurance Pilot Project, a county within the designated region may choose to have all licensed services and programs serving people with developmental disabilities located within their county licensed using standards determined under the alternative quality assurance licensing system. Each of the participating counties will evaluate the services and supports received by people with developmental disabilities using the alternative quality assurance review process and make recommendations regarding the continued licensure of service providers to the State commissioners of human services and health on that basis.

State legislation authorizing the Region 10 Quality Assurance Pilot Project directs the commissioner of human services to seek federal authority to waive provisions of Medicaid ICF/MR regulations necessary to enable full project implementation. The proposed waiver will permit Minnesota, on a pilot basis, to deviate from specified ICF/MR certification regulations and substitute an alternative quality assurance review process for ICFs/MR that focuses on consumer outcomes rather than a prescriptive, process-oriented certification approach. A federal waiver of existing ICF/MR regulations will reduce requirements that do not directly enhance the quality of life of consumers and will increase program flexibility to achieve desired consumer outcomes without jeopardizing consumer health and safety.

The Region 10 Quality Assurance Pilot Project represents an important component of Minnesota's ongoing effort to enhance consumer satisfaction and quality of care. The quality assurance pilot project described in this application will enable Minnesota to assess the benefits of this alternative approach and will serve to enhance Minnesota's knowledge base regarding best practice in evaluating and

improving the quality of services available to people with developmental disabilities.

1.2 Unique Aspects of Alternative Quality Assurance System

There are aspects of the Region 10 Quality Assurance Pilot Project's orientation and design which make it unique from other quality assurance systems and which merit further analysis of its impact on service quality and consumer satisfaction. These distinguishing factors are discussed below.

1.21 Project Origins

As previously stated, the Region 10 Quality Assurance Pilot Project is a result of a grassroots effort by stakeholders in Region 10 to test an alternative quality assurance system developed and implemented at the local level. From its conception, the development of this alternative quality assurance system has been achieved through the collaborative efforts of a broad spectrum of stakeholders, including consumers and their family members, advocates, service providers, county agency staff and members of other local social service organizations. This participatory approach will continue throughout the implementation phase of the project, thereby serving to maintain a high level of commitment to the project's success. It may also be said that there is increased accountability and ongoing scrutiny over the need for system refinement inherent within this interdisciplinary approach. From an evaluative standpoint, this approach provides a unique opportunity to decentralize quality assurance functions currently performed by state agency monitoring agents and to test the feasibility of engaging stakeholders from a variety of perspectives in the evaluation and oversight of services being provided to their fellow community members with developmental disabilities.

1.22 Consumer-Centered Approach

The alternative quality assurance process in Region 10 is comprehensive and highly individualized. Each quality assurance review will encompass multiple programs providing various supports to a particular consumer. This approach is unique from other quality assurance models, including Minnesota's own performance based contracting demonstration project for ICFs/MR, in that it represents a movement away from the traditional facility-based review toward a consumer-centered approach whereby all the services and supports for an individual are included in each review. This integrated review methodology is intended to streamline existing monitoring efforts and provide a more holistic and seamless approach to evaluating service quality which transcends the particular living arrangement in which an individual consumer resides.

Since the review selection is done according to individual consumers rather than programs, and since individuals are supported by various mixes of provider programs, a system for selecting a representative sample of consumers has been developed. At least 5 percent of all individuals supported by an ICF/MR program (or a minimum of three individuals) will have participated in a quality assurance review by the time the facility's certification and license is due for renewal. The schedule of reviews include enough visits for each ICF/MR so that they will have

had enough reviews over time to be eligible for recertification and licensure. Scheduled reviews for individuals are ,distributed over an entire 24-month period, with at least one review occurring annually, allowing for an ongoing picture of the program's operation to occur.

In this way, the model provides for continuous monitoring of a program's operations by independent monitoring agents and offers an alternative to the "snap-shot" picture of a program's operations provided through the annual site-visit that occurs under the traditional system.

1.23 Emphasis on Continuous Quality Improvement

The emphasis on continuous monitoring and oversight is also demonstrated through the quality improvement strategies implemented at various points in the review process. This multi-level approach is described below:

Individual Level
After completing its interviews and observations, the Quality Assurance Team meets with the individual's Quality Circle, to discuss the findings of their review. Action plans are developed by the Quality Circle following individual reviews when situations are observed that require improvement. The completion of action plans derived from the individual reviews are monitored by the Quality Assurance Manager on an ongoing basis. Each provider's contribution to the action plan and the specific steps necessary to carry it out are identified, This additional step in the alternative review process serves to empower consumers and maintains provider accountability for continuous quality improvement. A data set of findings from each quality assurance review are maintained and composite reports are developed which summarize the results of each quality assurance review as well as the outcomes of individual action plans for each program. In this way, Region 10 quality assurance agents are able to maintain a high degree of individualization during the program evaluation and continuous improvement processes while at the same time generating aggregate information that is useful to counties in assessing the overall performance of programs in their developmental disabilities service network.

Service Delivery System Level
In addition to outcome-based performance reviews at the individual and program levels, the Region 10 Quality Assurance Pilot Project incorporates an evaluation component which synthesizes the results of these reviews in order to identify system-wide barriers and best practices to achieving service quality and desired consumer outcomes. A best practice catalogue will be developed and maintained by each Quality Assurance Manager for project-wide distribution.

Process Improvement Level
Finally, the alternative quality assurance licensing process itself provides a built-in mechanism for continuous quality improvement. Because it is a value-based process, the system will continue to self-correct based upon the principles adopted by the stakeholders on the Quality Assurance Commission. If providers believe the process is not accurately assessing their contribution, that information goes back to the Quality Assurance Review Council and, if necessary, the process is altered to

improve accuracy. If individuals or their advocates believe the value they are experiencing is not being appropriately assessed or that key outcomes or needs are being overlooked, that can also be adjusted. If a county or their Quality Assurance Review Council finds they are not getting enough information or are getting the wrong kind of information, such feedback also goes back to the Commission for discussion and modification of the process. This self-correcting aspect is particularly unique to the Region 10 quality assurance model.

Section Two - Project Objectives

The purpose of the Region 10 Quality Assurance Pilot Project is to demonstrate and evaluate the outcomes of an alternative approach to monitoring service quality and improving consumer satisfaction and quality of life. The alternative quality assurance standards and processes proposed for implementation will replace intermediate care facility for people with mental retardation (ICF/MR) certification reviews currently performed by the Minnesota Department of Health and state licensing reviews currently performed by the Minnesota Departments of Health and Human Services. Combining these efforts will reduce redundancy in regulation and shift the system to a consumer-focused process of continuous improvement. The alternative quality assurance system is designed to be consumer-focused and responsive, assuring basic health and safety while promoting continuous improvement in the system and the service it provides. Project implementation under the authority of this § 1115 waiver request is proposed for a minimum of three years.

2.1 Guiding Principles

At the conception of the project, key stakeholders identified the values and principles that would guide the development and implementation of the alternative quality assurance system in Region 10 (See Section 7.1 for more detail). These guiding principles include:

Consumer Driven Quality is individually defined by the person. Information gathering should occur on an individual basis through interviews with the consumer and observations across multiple life and service domains. Findings are based on what is most important to the person and what the person wants and needs as defined by the person.

Comprehensive The quality assurance system must look at all areas of a person's life at home, at work, school or other regular day activity, and in the community to provide a comprehensive view of the patterns of supports.

Integrated The quality assurance system must transcend specific program and service types to include the quality and value contributions of all supports in the person's life. Quality improvement is consumer-driven and is best achieved through the collaborative process.

Value based Quality is determined by what the person values as being most important and what enhances the persons's experience.

Continuous Improvement Quality assurance is an ongoing and continuous process which must take place throughout a licensing period. The quality assurance system must have the capacity to receive information from multiple sources and to provide formative feedback at the individual program and systems levels.

Section Three- Demonstration Project Design

3.1 Project Scope

The pilot project will be implemented in the geographic area of southeastern Minnesota known as Region 10. The eleven counties which make up this region of the state include Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona. Please refer to *Appendix A* for a map which illustrates the Region 10 counties and their locations within the state of Minnesota. The Region 10 Quality Assurance Pilot Project will involve the monitoring and evaluation of a broad array of programs serving people with developmental disabilities within the eleven counties in Region 10.

3.11 Participating Counties

Participation in the project is at the option of the county. It is anticipated that county participation will be phased in over time. Please refer to Section 7.2 for a more detailed phase in plan. Each county that opts into the project must have all services and programs located within their county and identified in Section 3.12 below, licensed and certified using standards and processes determined under the alternative quality assurance system.

3.12 Participating Service Providers

Participating county agencies will evaluate and make recommendations for the continued state
licensure and federal certification of the following service providers:

- Providers of ICF/MR services.

Providers of in-home support or supported living services through the § 1915(c) Home and Community-Based Services (HCBS) Waiver for Persons with Mental Retardation or Related Conditions (MR/RC).

Providers of semi-independent living services (SILS).

Providers of day training and habilitation services (DT&H).

Providers of adult foster care services.

When a county opts into the project, all programs licensed within that county to provide ICF/MR, HCBS, day training and habilitation, SILS and adult foster care services are required to participate. Other providers of supports, both formal and

informal, may be included in the evaluation and continuous quality improvement process on a voluntary basis. -.lease refer to *Appendix B* for detail on the number and size of ICFs/MR located within each county making up the regio

3.13 Participating Consumers

The alternative quality assurance process will include an evaluatiofl of a random sample of program consumers. State statute requires that five percent of the individuals served by a facility, or a minimum of 3 residents, will be intervihwed as part of each facility's performance evaluation under the alternative quality assurance system. A random representative sample of consumers will be selected from each participating county. The table provided in *Appendix B* provides additional detail on the number of consumers who will participate in the alternative review process as part of each facility's performance review.

3.2 Alternative Quality Assurance System

The Region 10 quality assurance system will focus on individualized consumer values and outcomes rather than standardized procedures as the primary method for monitoring and evaluating service quality. The system's integrated review methodology is intended to streamline existing monitoring efforts and provide a more holistic approach to the evaluation of service quality as experienced by the consumer. The process is designed to enable quality assurance monitoring agents to focus on situations where improvement is needed and to identify best practices that may warrant replication throughout the service delivery system.

Participating counties, under the advisement of the Region 10 Quality Assurance Commission, have developed written standards and processes under the alternative quality assurance system that are in compliance with or provide alternative equivalent measures to the requirements governing federal certification and state licensure of services to people with developmental disabilities. These alternative standards and proc, e-dures will,replace intermediate care facility for people with mental retardation (ICF/MR) certification reviews currently performed.by the Minnesota Department of Health and state licensing reviews currently performed by the Minnesota Departments of Health and Human Services. Licensure and certification reviews under the alternative quality assurance system will be completed at least every 24 months.

A general overview of the alternative quality assurance system is provided below. Please refer to *Appendix C* for a more detailed description of the standards and processes proposed for implementation.

3.21 Structure

3.211 Delegation of Licensing Authority

Under the Region 10 Quality Assurance Pilot Project the Department of Human Services will delegate to participating counties the authority to perform licensing reviews using alternative quality assurance standards and procedures. The Department of Human Services will enter into interagency agreements with each

participating county which dictate the terms and conditions under which the delegation of licensing functions to counties participating in the pilot project will occur. The Department of Human Services will provide technical assistance and training to local monitoring agents as necessary for the delegation of certain licensing functions. The State will continue to perform certain authorizing functions identified within the interagency agreements. While monitoring functions will be delegated to local county agencies, final licensing authority will be maintained through the Minnesota Departments of Human Services.

3.212 Quality Assurance Commission

The Minnesota Legislature has established the Region 10 Quality Assurance Commission to oversee project development at the local level. The Region 10 Quality Assurance Commission is made up of stakeholders with .an interest in improving the support and services provided to people with developmental disabilities in the eleven counties of Region 10 of the State of Minnesota. The commission's composition has been directed by the Legislature to assure a representation of consumers, their legal representatives and family members, and various stakeholder groups, including advocacy organizations, service providers, and representatives of state and local gvemment. The commission has overseen the development of the alternative quality assurance process and protocols to be used under the pilot project. A project director staffs the Commission.

3.213 Other .Key Elements

Other key elements to the organizational structure of the alternative quality assurance system include:

Quality Assurance Review Council: In each county or counties participating in the pilot project, a Quality Assurance Review Council will be formed. This council will oversee the ongoing process in the county, resolve disputes, oversee the development of plans to support quality improvement and make recommendations regarding licensing of programs serving people with developmental disabilities. The Quality Assurance Review Council will use what it learns from individual quality assurance reviews and quality improvement responses to those reviews to identify ways in which the overall system of support for people with developmental disabilities can be improved. Quality Assurance Review Councils will be comprised of advocates, consumers and their family members and legal representatives, service providers and county agency staff.

Quality Assurance Manager: A Quality Assurance Manager will staff each county's Quality Assurance Review Council. The Quality Assurance Manager will coordinate and oversee the individual quality assurance reviews from start to finish. The responsibilities of the position will include:

- Selecting individuals to participate in the reviews and obtaining preliminary information about each participant.

- Assigning and assuring training of Quality Assurance Teams.

- Reviewing completed summaries of findings.
- Monitoring completion of action plans derived from the individual reviews.
- Establishing and maintaining a data set of findings.
- Maintaining the best practices catalogue.
- Sending omposite reports on individual programs and a county's overall developmental disabilities system to the Quality Assurance Review Council.

Quality Assurance Team: Quality assurance reviews wilt be conducted by members of a Quality Assurance Team made up of volunteers trained in the use of the evaluation tools and methodologies developed under the alternative quality assurance system. Members of the Quality Assurance Team will be assigned to facilitate the review process for each consumer selected to participate. The Quality Assurance Manager will typically assign two members of the Quality Assurance Team to conduct each review over a three-to-four week period. Quality Assurance Team membership may include consumers and their family members, service providers, county agency staff, advocates and other involved community members. There are currently 40 Quality Assurance Team members. Quality Assurance Teams will be assigned so as to assure that no team member has any direct or indirect service provider interest in the program being reviewed.

Procedural Review Team: The Procedural Review Team is comprised of a subset of Quality Assurance Team members who have been specifically trained to assess program compliance with certain safety standards and procedural protections that were not waived when the Region 10 Quality Assurance Pilot Project was established by the Minnesota Legislature. The Quality Assurance Manager will send a Procedural Review Team to complete an assessment of the license holder's compliance with the requirements governing the maltreatment of vulnerable adults, the use of aversive and deprivation procedures, and the use of psychotropic medications. In completing their reviews, Procedural Review Team members will utilize standardized tools and procedures that are currently used by state licensing agents under the traditional licensing review process. This review process is discussed in more detail in Section 3.323.

Quality Circle: A Quali,ty Circle will be created to facilitate the process of gathering information for each review, and to work on improving the quality of service and support to the individual following the review. The Quality Circle consists of the person receiving support and his or her legal representative; one or more representatives from each licensed program, and any friends, family members, or informal providers of support invited by the consumer to participate.

3.22 Alternative Quality Assurance Standards

The Region 10 Quality Assurance Commission has developed written standards which will govern the licensure and certification of participating programs and services. See *Appendix C.L* for the written standards. In determining each program's

eligibility for licensure and certification, par6cipating counties will adopt these alternative quality assurance standards. The standards are intended to be outcome-based and will measure the overall performance of a program based on each provider's ability to support individual consumers in achieving desired outcomes in their lives. A facility's compliance with these standards will be measured by combining the results of a continuous, client-centered evaluation process. All components of the quality assurance review process will be used to determine a program's compliance with these standards.

3.23 Alternative Quality Assurance Review Process

The Region 10 Quality Assurance Commission has contracted with A Simpler Way $(ASW)^2$ to assist in the development of instruments and protocols tO implement the alternative quality assurance system. ASW is a team of independent consultants committed to strength-based, person and family-focused human services planning. ASW assembles a specific team of consultants for each project based on the nature of the task and the strengths and needs of the community making the request. The contractual arrangement between Region 10 and ASW has enabled the development of a review process which reflects the values of local stakeholders and their desire to demonstrate and evaluate a truly unique approach to quality assurance.

The alternative quality assurance system combines three types of quality review processes traditionally conducted separately:

Quality assurance to evaluate whether individuals are receiving appropriate supports and services;

Quality improvement to assist specific providers, groups of providers and the system as a whole in the ongoing effort to help individuals achieve better life outcomes; and Certification and licensing of programs that use public funds to support individuals with developmental disabilities.

Combining these efforts will reduce redundancy in regulation and shift the system to a process of continuous feedback and improvement. This process encourages providers to develop new and more effective means of assistance and support while assuring that the basic safety and welfare of the individuals served are protected. It also provides a comprehensive, regularly updated overview of how well the system is working. By adding new information, frequently and regularly, and comparing it with archived information, the Quality Assurance Review Council maintains an ongoing "video" of the system. This will replace the annual and biennial snapshots obtained through current licensing visits.

The monitoring, oversight, and particularly the dialogue inherent in this quality assurance system

- A Simpler Way (ASW) consulting is coordinated by Dennis Harkins of Madison, Wisconsin.

create an ongoing process for social validation of the elements used in the system. The process examines the practices and procedures used to provide assistance within the societal context in which they are received. Issues or needs are assessed from the perspective of both the community and the individual who receives services. Strategies used by providers and others to address those needs are developed from the perspective of both the community and the individual. Finally, the process allows for the measurement of outcomes desired by both the community and the individual.

The Region 10 Quality Assurance Pilot Project creates an interactive context that measures current performance and at the same time fosters improvement in how programs, providers and the total system supports people receiving services. This process is further designed to continually improve the reliability and validity of the information obtained. Several factors contribute to this improvement:

First, the data come from discrete visits from many different Quality Assurance Teams. By watching for consistency in the results, and comparing the teams' observations, the Quality Assurance Manager and Quality Assurance Review Council determine the reliability of the Quality Assurance Team reports.

Second, the Quality Assurance Team process is designed to obtain input from multiple perspectives and to respond to ambiguities by further investigation and analysis. If participants disagree with the Quality Assurance Team's assessment, they have a process for resolving the dispute, or at least clarifying the nature of their differences, before the Quality Assurance Review Council.

Overall quality assurance system is a learning process developed by stakeholders with a variety of perspectives. The multiple points for assessing quality (eight support functions across three life environments) and the method of assessment are the result of three years of ongoing discussion and analysis by individuals who receive services, family members and guardians, advocates, service providers, and state and county personnel. That process will continue. As the current tools are tested and the results analyzed, the system will continue to be refined to increase its reliability and effectiveness.

Finally, the quality assurance system's value-based process will continue to self-correct. If individuals, their advocates or their providers believe the value they are experiencing is not being appropriately assessed or that key outcomes or needs are being overlooked, the review process can incorporate methods for assessing those things. If the Quality Assurance Review Council finds it is not getting enough information or is getting information that does not address the quality of the supports, such feedback also goes back to the Quality Assurance Commission for discussion and modification of the process.

The two major components which make up Region 1 O's quality assurance review process include the individual quality assurance reviews and the review of procedural safeguards. These two components are described below. A more detailed description of these elements of the alternative review process can be found in *Appendix C.II.*

3.231 Individual Quality Assurance Reviews

The Region 10 Quality Assurance Commission has developed a person-focused system for assessing the quality of the assistance and support provided to individuals with developmental disabilities. This system consists of individual quality review processes and tools for identifying, evaluating and responding to the value experienced by a person who is the focus of the review.

During each review, the Quality Assurance Team will observe the nature of the assistance the individual requires and is receiving across three primary environments: at home; at work, school or other regular day activities; and in the community. The team will look at the following eight domains in which support and services are expected to contribute valued outcomes to a person's life:

Providing basic assistance.
Providing for specialized assistance.
Forming and maintaining positive and reciprocal personal relationships.
Maximizing participation, choice and mastery of life activities. Increasing social, cultural and spiritual expression and inclusion. Achieving and maintaining financial security and stability.
Living safely and with respect, dignity and personal responsibility. Keeping services and supports organized and integrated.

Each quality assurance review will encompass multiple programs providing various supports to a particular consumer. By combining results from an ongoing series of assessments across multiple life and service domains, a more comprehensive view of the patterns of supports will be attained. This approach is unique from other quality assurance models in that it represents a movement away from the traditional facility-based review toward a consumer-centered approach whereby all the services and supports for an individual are included in each review.

Since the review selection is done according to individual consumers rather than programs, and since individuals are supported by various mixes of provider programs, a system for selecting a representative sample by county and facility of consumers has been developed. At least 5 percent of all individuals living in an ICF/MR (or a minimum of three individuals) will have participated in a quality assurance review by the time the facility's certification and license is due for renewal. The schedule of reviews include enough visits for each ICF/MR so that they will have had enough reviews over time to be eligible for recertification and licensure. Scheduled reviews for individuals are distributed over an entire 24-month period, with at least one review occurring annually, allowing for an ongoing picture of the program's operation to occur. In this way, the model provides for continuous monitoring of a program's operations by independent monitoring agents and offers an alternative to the "snap-shot" picture of a program's operations provided through the annual site-visit that occurs under the traditional system.

3.232 Review of Procedural Safeguards

The legislation authorizing the pilot project requires that procedural safeguards under certain statutes not be waived. The safety standards and procedural

protections that will remain in place under the project are discussed in Section 3.42. Under the pilot project, the State will delegate to participating counties the authority to review for facility compliance with three of these standards and procedures. A subset of the Quality Assurance Team has been designated and specifically trained by state licensing personnel to assess compliance with these standards and procedures. This subset of the Quality Assurance Team is referred to as the Procedural Review team. In completing these reviews, Procedural Review Team members will utilize standardized tools and procedures that are currently used by state licensing agents under the traditional licensing review process. These tools and procedures are identified in the table on the following page.

Review of Procedural Safeguards
Tools and Procedures

Reporting of Maltreatment of Vulnerable Adults
Minnesota Statutes §626.557
Minnesota Statutes, §245A.65
Vulnerable Adult Checklist
Vulnerable Adult Checklist

Use of Aversive and Deprivation Procedures
Minnesota Statutes, section 245.825 and Minnesota Rules, Parts 9525.2700 through 9525.2810 (Rule 40)
Rule 40 Checklist
Rule 40 Checklist

Monitoring of the use of Psychotropic Medications
Procedural requirement not in rule or statute
Psychotropic Medication Use Checklist
Psychotropic Medication Use Checklist

In addition to the three checklists identified above, a physical environment and safety checklist has been developed for use by members of the Procedural Review Team to assess program compliance with physical plant and health and safety standards and procedures. The checklists identified in the table above, as well as the physical environment and safety checklist, can be found in *Appendix C.II.*

A review of each program's compliance with these procedural safeguards may occur anytime during the license period but must be completed within 24 months of the date on which the program was last reviewed for compliance with the required procedural safeguards.

The results ofthse procedural reviews are compiled and the compliance summary is provided to the Quality Assurance Review Council, along with the results of the individual quality assurance reviews, at the time of each facility's license renewal.

3.24 Administrative Licensing Procedures

The Region 10 Quality Assurance Pilot Project has developed administrative procedures required for licensure and certification of services to people with developmental disabilities. These requirements either meet or provide alternative equivalent measures to the current administrative rules governing licensing and certification procedures. They are intended to establish administrative standards and to inform participating service providers of the alternative licensing and certification procedures to be implemented "under the pilot project. These administrative licensing procedures can be found in *Appendix C.III.* Since there is currently a moratorium on any new ICF/MR development in the State of Minnesota, the initial licensure procedures specified on pages 1 and 2 *of Appendix C.IIL* will not apply to ICFs/MR.

3.25 Quality Assurance Team Training

As discussed in Section 3.213 quality assurance reviews will be conducted by members of a Quality Assurance Team comprised of key stakeholders residing in Region 10. A comprehensive training curriculum has been developed to assure that these monitoring agents receive the training necessary to reliably and effectively implement the evaluation tools and methodologies developed under the alternative quality assurance system. The intent of the training is to develop and enhance local monitoring potential and support local communities in assisting with the quality assurance activities being implemented under the pilot project.

Potential Quality Assurance Team members must complete an application and go through an oral and written interview process. The county Quality Assurance Manager and members of the Region 10 Quality Assurance Commission screen each applicant. Applicants must also provide a letter of reference.

Once selected, each new Quality Assurance Team member goes through three one-day sessions of classroom training and are mentored through the first review process. Training is provided in the areas of data privacy and confidentiality, code of ethics, vulnerable adults and child protection reporting processes, psychotropic medication monitoring, standards governing the use of aversive and deprivation procedures, all steps of the individual quality assurance review process, and the physical and environment safety checklist. Quality Assurance Team leaders and mentors provid verbal and written feedback on each trainee's performance.

The Region 10 Quality Assurance Commission has contracted with A Simpler Way to develop a curriculum and assist them with this training effort. The training manual outlining the required skills and responsibilities of a Quality Assurance Team member can be found in *Appendix C.IV.* In addition to providing the initial training for 40 Quality Assurance Team members, A Simpler Way has also provided specialized training to 9 of the 40 Quality Assurance Team members for the purpose of establishing a pool Of local monitoring agents qualified to serve as trainers in the use of the alternative quality assurance tools and methodologies developed. This train-the-trainer approach will allow the project to develop its own training capacity and become more self-sufficient in the development of the Quality Assurance Team and the refinement of the alternative quality assurance process. A copy of the trainers manual can be found in *of Appendix*

3.3 A Comparison of Quality Assurance Standards and Processes

Compliance with federal certification standards governing ICFs/MR in Minnesota is currently monitored by the Department of Health in accordance with a cooperative agreement between the Department of Human Services and the Department of Health which delineates the mutual and individual responsibilities relating to the survey and certification of ICFs/MR. Annual reviews for compliance with the National Fire Protection Association's Life Safety Code standards are completed annually by the State Fire Marshall. In addition to federal certification requirements, the State of Minnesota requires all ICFs/MR to be licensed as supervised living facilities under Minnesota Rules, parts 4665.0100 to 4665.9000 by the Minnesota Department of Health. These state licensing requirements establish certain physical plant and health and safety standards.

Additional state licensing requirements for ICFs/MR include consolidated standards under Minnesota Statutes, chapter 245B which govern services to people with mental retardation or related conditions. These requirements focus on the provision of outcome-based services and establish minimum program standards in the area of consumer rights, consumer protections, service delivery and management. Standards under Minnesota Statutes, chapter 245A which govern administrative licensing procedures also apply to ICFs/MR in Minnesota. The Department of Human Services, Licensing Division monitors for facility compliance with both of these requirements.

An overview of current regulatory standards governing the licensure and certification of ICFs/MR in the State of Minnesota, and the monitoring agents responsible for assuring facility compliance with each of these standards is provided in *Appendix D.*

As previously discussed, the alternative standards and procedures described in Section 3.2, and provided in detail in *Appendix C,* will replace current ICF/MR certification reviews currently performed by the Minnesota Department of Health and state licensing reviews currently performed by the Minnesota Departments of Health and Human Services. The alternative standards and procedures have been developed to address the overall intent of existing requirements through an individualized, outcome-based quality assurance process. *Appendix E* provides a detailed comparison of the requirements of 42 CFR parts 483 and 440 governing the licensure and certification of ICFs/MR in Minnesota and the alternative standards and procedures developed under the Region 10 Quality Assurance Pilot Project that will replace these existing requirements.

3.4 Consumer Protections

3.41 Data Privacy

Counties are considered an agent of the Department of Human Services in the administration of the Medicaid Program and are required to comply with the Minnesota Government Data Practices Act. The confidentiality of consumer-specific information accessed under the project will be protected in accordance with the Data Practices Act. Members of the Quality Assurance Teams will have access

to private information and will be individually responsible for complying with the requirements of the Data Practices Act under Minnesota Statutes, chapter 13. Each participating county shall ensure that all Quality Assurance Team members have received training on data practice requirements from sources approved by the Department of Human Services prior to conducting program reviews. All Quality Assurance Team members are required to sign a form entitled, Acknowledgment of Responsibilities for Persons Who Have Access to Non-Public Data as verification of their intent to comply with data practice requirements.

3.42 Procedural Protections

Enabling legislation authorized the Departments of Health and Human Services to waive state rules and regulations to the extent necessary to implement the demonstration project but only if the Commissioners of Health and Human Services determine that appropriate alternative measures are in place to.protect the health, safety and rights of participating consumers and to assure that services are of sufficient quality to produce the outcomes described in personal support plans. ,However, individuals receiving services in a participating cotmty will not be denied rights or procedural protections provided under state laws governing the use of aversive and deprivation procedures,[3] the State Ombudsman Office for Mental Health and Mental Minnesota Statutes, **§245.825.**

Retardation,[4] separation of day and residential providers,[5] standards governing admission to and discharge from regional treatment centers,[6] reporting of maltreatment of minors,[7] reporting of maltreatment of adults,[8] or procedures for the monitoring of psychotropic medications. Therefore, these provisions cannot be waived.

Under the Region 10 Quality Assurance Pilot Project the Department of Human Services retains the responsibility for conducting background studies of licensing applicants under Minnesota Statutes, section 245A.04 and investigations of alleged maltreatment under Minnesota Statutes, sections 626.556 and 626.557 in licensed programs.

County agencies, through their delegated authority, will monitor compliance with applicable licensing standards and investigate alleged violations of procedural protections and standards developed under the alternative licensing system. If the participating county has reasonable cause to believe that the health, safety, or rights of people served by a program are in imminent danger, the participating county must notify the Department of Human Services immediately. If the Department orders an immediate suspension, the participating county shall arrange for delivery, by personal service, of written notice of immediate suspension to the license holder.

The participating county may issue a corrective action plan to a license holder who violates a license standard when the violation does not imminently endanger health, safety, or rights of individuals served by the license holder; the violation is not serious or chronic; and the violation can be corrected within a reasonable time. A corrective action plan shall include specific steps designed to decrease the likelihood of recurrence of the license violation or steps designed to improve services to individuals by the program, and a specific time period for improving the

service or correcting the violation. License holders must provide evidence of compliance with the corrective action plan. If the license holder does not comply with the corrective action plan within the designated time frame the county will recommend a fine or negative licensing action to the Department of Human Services.

4 Minnesota Statutes, §245.91 to 245.97.

5 Minnesota Statutes, §252.41, Subd. 9.

6 Minnesota Statutes, §256B.092, Subd. 10.

7 Minnesota Statutes, §626.556.

8 Minnesota Statutes, §626.557.

Section Four- Project Evaluation

4.1 Evaluation plan

The Minnesota Legislature established the Region 10 Quality Assurance Pilot Project in1997. Under this authority, the State has entered into the initial phase of the Region 10 Quality Assurance Pilot Project to allow participating counties the authority to perform cei-tain state licensing functions and activities using the alternative quality assurance standards and procedures. The Region 10 Quality Assurance Commission has proceeded to implement those aspects of the alternative quality assurance system permitted within the purview of state and federal law.

The Region 10 Quality Assurance Commission has contracted with an independent third party to conduct an evaluation of this initial phase of project implementation to assess project outcomes and to evaluate the merits of the alternative system as an efficient and effective approach to assuring the quality of services for persons with developmental disabilities. The evaluation will consider the comprehensive nature of the alternative system, which is designed to evaluate the broad spectrum of licensed and unlicensed entities that provide services to clients, as compared to the current licensing system. It incorporates a financial review of the alternative quality assurance licensing system and an evaluation of the project's impact on the state budget.

The proposed federal waiver will permit Minnesota to waive ICF/MR survey and certification standards in order to demonstrate the outcomes of the alternative quality assurance system for ICF/MR service recipients in Region 10. If federal approval of this § 1115 waiver request is secured, the Department of Human Services intends to conduct an independent evaluation of the Region 10 Quality Assurance Pilot Project. An evaluation of the Region 10 Quality Assurance Pilot Project will be independently conducted by a vendor selected through a competitive bidding process, and under contract with the State. Competitive bidding will be conducted in accordance with 45 CFR §74,.43. Efforts will be made to coordinate with existing evaluation activities of the Region 10 Quality Assurance Commission when feasible.

Implementation of the Region 10 Quality Assurance Pilot Project is based on the hypothesis that an alternative approach to service monitoring and evaluation will result in improved service quality. The independent evaluation of the Region 10 Quality Assurance Pilot Project will be designed to test this hypothesis in terms of the outcomes experienced by consumers who have participated in the project compared to those who have not. A control condition will be established. Viable study designs may include a comparison of a matched group sample of

demonstration and non-demonstration participant outcomes and a before and after (time-series) quasi-experimental design whereby demonstration participants serve as their own controls.

The evaluation will include both process and outcome components. The process evaluation will describe and evaluate the procedures and activities undertaken to develop the alternative quality assurance system. The process evaluation will be qualitative in nature and will rely on surveys, interviews and on-site observations as the primary means of data collection. The outcome evaluation component will place greater emphasis on quantitative data collection processes in an effort to obtain quantifiable measures of the alternative quality assurance system in terms of its impact on service quality. Measures will focus on consumer-oriented outcomes and satisfaction with services provided.

The Department of Human Services will seek a federally matchable state appropriation in order to conduct the independent evaluation of the Region 10 Quality Assurance Pilot Project. Final design parameters for the independent evaluation will be contingent on available resources.

Section Five - Case Load and Cost Estimates

5.1 Budget Neutrality

The establishment, operation and evaluation of the Region 10 Quality Assurance Pilot Project is funded through an appropriation from the Minnesota Legislature. The alternative quality assurance system being tested under this pilot project is not anticipated to have any direct impact on MA payment for ICF/MR services. Although project implementation is expected to be cost neutral in terms of overall ICF/MR expenditures for the project area, the emphasis on consumer-defined outcomes and satisfaction as indicators of service quality under the alternative quality assurance review process is expected to result in some level of internal restructuring and redistribution of personnel and program resources by service providers.

5.2 Case Load and Cost Estimates

A summary of projected ICF/MR expenditures without and with the § 1115 waiver over the three-year demonstration period will be provided under separate cover. Cost estimates for the project will be established based on total ICF/MR expenditures in Region 10 for SFY 00 and trended forward using regional historical trend data on ICF/MR costs. Project implementation is expected to be cost neutral in terms of overall ICF/MR expenditures for the project area. Therefore, projected

increases in ICF/MR expenditures under the Region 10 Quality Assurance Pilot Project will be consistent with projected increases for ICFs/MR in the region in the absence of the § 1115 waiver.

Section Six - Organizational Structure

6.1 Department of Human Services

The Department of Human Services is the state Medicaid agency responsible for purchasing health services through fee-for-service and prepaid, capitated models for over 600,000 MA, General Assistance Medical Care (GAMC), and MinnesotaCare enrollees. The Department is primarily located at 444 Lafayette Road, St. Paul, Minnesota 55155 and 2284 Highcrest Drive, Roseville, Minnesota 55113.

The Department's Health Care Administration supervises eligibility administration of publicly funded health care programs at the county level, administers the MinnesotaCare Program at the state level, purchases covered services, and provides for performance measurements and quality improvement of health care administration and service delivery for program enrollees.

The Continuing Care Administration oversees the administration of publicly funded continuing care programs for older people and people with disabilities, including community based ICFs/MR, § 1915(c) HCBS waiver services, day training and habilitation services, mental health and chemical dependency services.

The Division of Licensing oversees the licensure of residential and non-residential programs for children and vulnerable adults to ensure they meet the requirements of law and rule. This responsibility is carried out in cooperation with other state agencies and includes licensure and monitoring of residential and community-based support services to people with developmental disabilities.

6.11 Key State Personnel of the Demonstration

Michael O'Keefe is the Commissioner of Human Services and is responsible for directing the activities of the Department, which include the publicly funded health and continuing care programs.

Tom Moss is the Deputy Commissioner of Human Services.

Mary Kennedy, Assistant Commissioner of Health Care Administration, is responsible for the publicly-funded health care programs. She also serves as State Medicaid Director.

Jane Wilcox Hardwick is manager for health care tribal relations and § 1115 waiver initiatives.

Jan Kooistra is responsible for § 1115 waivers related to people with disabilities. Jan serves as the primary contact for this waiver request.

Ann Berg is the manager of federal Health Care Financing Administration relations and federal Medicaid compliance.

Vicki Kunerth is Acting Director of Performance Measurement and Quality Improvement. This division researches and develops performance measures to evaluate The Department of Human Services ' health care programs. Activities include developing and maintaining health care data and information systems, conducting clinical focus studies, evaluating population health, administering satisfaction surveys, and establishing quality assurance and improvement standards for health care purchasing on behalf of public clients.

Robert Lloyd is the manager of the Health Program Quality Unit within the Performance Measurement and Quality Improvement Division. This unit is responsible for health program quality evaluation and analysis.

George Hoffman is the Director of Reports and Forecasts, the Division within the Finance and Management Operations Administration responsible for meeting federal reporting requirements for cash assistance, medical programs and food stamps; providing forecasts of program caseloads and expenditures which are used in budget development; providing fiscal notes to accompanying proposed legislation; and responding to requests for statistical information.

Maria Gomez, Assistant Commissioner of Continuing Care, oversees the administration of publicly-funded continuing care programs for seniors and people with disabilities.

Shirley Patterson is the Director of Continuing Care for Persons with Disabilities. This division is responsible fo policy development and management of services for people with disabilities, including mental illness, chemical dependency, developmental and physical disabilities, traumatic brain injuries and HIV/AIDS.

Steve Larson is the Director of Community Supports for Minnesotans with Disabilities housed within the Continuing Care for Persons with Disabilities Division.

Laura Doyle is the Deputy Director of Community Supports for Minnesotans with Disabilities housed within the Continuing Care for Minnesotans with Disabilities Division.

Gerry Nord is the supervisor of the Community Outcomes Division within the Community Supports for Minnesotans with Disabilities Unit.

Lori Dablow is the Commissioner's designee to the Region **10** Quality Assurance Commission and provides program oversight for the planning and implementation of the Region 10 Quality Assurance Pilot Project within the Community Supports for Minnesotans with Disabilities Unit.

Jerry Kerber is the Director of the Division of Licensing.

Jane Wiemerslage is the manager of the Developmental Disabilities Unit within the Division of Licensing.

6.2 Minnesota Department of Health

MDH operates programs in the areas of-disease prevention and control, health promotion, community public health, environmental health, and health care policy and regulation. The MDH Facility and Provider Compliance Division licenses and inspects a broad range of health care facilities and providers, including hospitals, nursing homes, home care providers, hospice providers and other health care facilities. MDH certifies facilities to take part in the Medicate and Medicaid programs. In Minnesota there is a cooperative agreement between the Department of Human Services and the Department of Health which delineates the mutual and individual responsibilities relating to the survey and certification of NFs and ICFs/MR.

The Department of Health is primarily located at 85 East 7th Place and 121 East 7th Place, St. Paul, Minnesota 55101.

6.21 Key State Personnel of the Demonstration

Jan Malcolm, Commissioner of Health, is the administrative and executive head of the department responsible for directing the activities of the agency.

Julie Brunner, is the Deputy Commissioner of Health.

Linda Sutherland is Director of the Facility and Provider Compliance Division.

6.3 Minnesota County Human Service Agencies

Minnesota operates a state-supervised, county-administered system of social services. There are 87 counties in Minnesota, each of which is responsible for providing social services either directly or thorough purchase, to several target populations. Counties are responsible for determining income and service eligibility of recipients, assuring program development and monitoring, providing management and contracting for services.

Under the Region 10 Quality Assurance Pilot Project the State will delegate to participating counties the. authority to perform licensing and certification reviews using alternative quality assurance standards and procedures. The Departments of Human Services and Health will enter into interagency agreements with each participating county which dictate the terms and conditions under which the delegation of licensing and certification functions to counties participating in the pilot project will occur.

6.31 Key County Personnel of the Demonstration

Paul Fleissner, Director of Adult Services, Olmsted County

lone Loerch, Social Services Supervisor, Fillmore County

David Knight, Social Services Supervisor, Winona County

Beth Wilms, Social Services Director, Houston County

Brent Gunderson, Social Services Supervisor, Mower County

Sue Miller, Quality Assurance Manager

Lori Forbes, Quality Assurance Manager

6.4 Region'10 Quality Assurance Commission

The Minnesota Legislature has established the Region 10 Quality Assurance Commission to oversee project development at the local level. The Region 10 Quality Assurance Commission is made up of stakeholders with an interest in improving the support and services provided to people with developmental disabilities in the eleven counties of Region 10 of the State of Minnesota. The commission's composition has been directed by the Legislature to assure a representation of consumers, their legal representatives and family members, and various stakeholder groups, including advocacy organizations, service providers, and representatives of state and local government. A project director staffs the Commission. Minnesota Laws 1999, Chapter 245, Article 1, Section 2 enables the State to allocate appropriations to the Region 10 Quality Assurance Commission for the costs associated with the establishment and operation of the pilot project. Arc Southeastern Minnesota, 903 West Center Street, Rochester, RUN 55902, serves as the fiscal host for the Region 10 Quality Assurance Commission.

6.41 Region 10 Quality Assurance Commission Membership

Cindy Ostrowski, Quality Assurance Commission Staff, Project Director **Frank Anderson,**

Residential Support Provider, Bear Creek Services, Inc. **Karen** Bunkowski, Case Manager,

Winona County

Carol Carryer, Community Member

Shelly Cavanaugh, Case Manager, Houston County

Tom Cramer, Consumer

Lori Dablow, Department of Human Services

Ronice Meyer Donovan, Family Member

Paul Fleissner, Director of Adult Services, Olmsted County

Donna Garratt, :amily Member

John Gordon, Family Member

Kathy Graupner, Community Member

Roy Harley, Community Member

Mary Hewett, Day Training and Habilitation Provider, Winona County DAC

Buff Hennessey, Arc Southeastern Minnesota

Mary **Jansen,** Residential Support Provider, Home and Community Options, Inc.

John Jordan, Family Member

Shirley Scherer, Residential Support Provider, REM

Fred Stein, Supervisor, Freeborn County

Brenda Waltz, Residential. Support Provider, REM

Section Seven - Implementation and Phase Down Plan

7.1 Stakeholder Involvement

In December 1995, eighty people representing the eleven counties in Region 10 convened in Rochester, Minnesota to begin a dialogue on the impact of potential Medicaid reform on services for people with developmental disabilities. The goal was to explore values commonly held by stakeholders, to identify key principles that should drive the evolution of services, and to generate recommendations for public policy makers in order to affect systems change efforts. In January 1996, the stakeholders issued an executive summary of their findings and recommendations. This report was presented to legislators and widely circulated.

The stakeholders reconvened in June 1996, with discussions focusing on managed care principles and quality assurance. The stakeholders determined to develop an alternative quality assurance mechanism for the Region. A series of stakeholder meetings followed, during which a 40-member work group volunteered to participate in an intensive effort to design a new quality assurance system. These stakeholders worked with Legal Advocacy, Arc Minnesota, the Ombudsman Office of Mental Health and Mental Retardation, and Legislators to draft legislation authorizing the Minnesota Region 10 Quality Assurance Pilot Project. The Region 10 Quality Assurance Commission was elected by their fellow stakeholders and its authority recognized in state law in July 1997.

Local and regional stakeholders continue to be actively involved in the project's development and hold positions on the Region 10 Quality Assurance Commission or participate as Quality Assurance Review Council members, Quality Assurance

Team members and Quality Assurance Trainers. In addition, over 200 stakeholders are kept informed of Region 10 Quality Assurance Pilot Project activities through quarterly progress reports.

7.2 Timelines and Phase-in

As previously discussed in Section Four, The Minnesota Legislature established the Region 10 Quality Assurance Pilot Project in 1997. The Region 10 Quality Assurance Commission has proceeded to develop and implement those aspects of the alternative quality assurance system permitted within the purview of state and federal law. Under this authority, the State has entered into the initial phase of the Region 10 Quality Assurance Pilot Project to allow participating counties the authority to perform certain state licensing functions for home and community-based t 915(c) waiver services, day training and habilitation services, semi-independent living services and adult foster care services using the alternative quality assurance standards and procedures. The Minnesota Department of Human Services has delegated this licensing authority to five of the eleven counties in Region 10, and has entered into interagency agreements with each of these counties which dictate the terms and conditions under which the delegation of these licensing functions will occur. A copy of the interagency agreement between these counties and the Minnesota Department of Human Services is found in *Appendix F*.

Approval of this § 1115 waiver request will enable full project implementation in counties where the State delegates to counties the authority to perform state and federal certification reviews for ICFs/MR using the alternative quality assurance standards and procedures developed under the Region 10 Quality Assurance Pilot Project.

Project implementation is projected to begin on July 1, 2001. It is anticipated that ICFs/MR will be phased into the project, by county, over time. Counties in Minnesota's Region 10 may opt into the project on an annual basis. Counties must notify the Quality Assurance Commission by
January 15th of a given year of their commitment to participate July 1 st of that year. Once a
county opts into the project, and the State has delegated to the county ICF/MR certification authority, all ICFs/MR within that county will be licensed and certified using standards and processes determined under the alternative quality assurance system. State statute requires that five percent of the individuals served by a facility, or a minimum of 3 people, are interviewed as part of each facility's performance evaluation under the alternative quality assurance system. A random representative sample of consumers will be selected from each participating county.

The proposed timelines for project implementation are outlined below.

Project Year One
Project Year Two
Project Year Three
July 1, 2001 through June 30, 2002 July 1, 2002 through June 30, 2003 July 1, 2003 through June 30, 2004

Full project implementation is expected to begin in four of the eleven counties making up Minnesota's Region 10. See *Appendix G* for the projected number of participating counties, ICFs/MR and consumers for project year one. A more detailed phase-in plan illustrating the projected number of participating counties, ICFs/MR and consumers for project years two and three will be provided by notice to HCFA 60 days prior to the beginning of each project year.

7.3 Project Phase-Out Plan

A detailed phase out plan will be developed based on preliminary findings during.project years one and two regarding the project's success in meeting its intended objectives and the potential for replication.. The proposed plan will depend on the initial results and may include a remm to the traditional ICF/MR certification standards and procedures, an extension of the project, or other revision to the project.

Section Eight- Waivers Requested

In order to implement the Region 10 Quality Assurance Pilot Project, Minnesota request that a waiver of the following provisions be granted under the authority of § 1115(a)(1) of the Social Security Act.

§1902(a)(1) *Statewideness* This provision requires the state to administer medical assistance uniformly on a statewide basis. The Department requests a waiver of this provision to allow the pilot project to be implemented less than statewide.

§1902(a)(30) *Safeguards Against Unnecessary Cares and Services.* This provision requires the State plan to provide methods and procedures to safeguard against unnecessary utilization of care and services (42 CFR part 456)

§1902(a)(31) *Professional Review and Inspections in ICFs/MR.* This provision requires that the State plan 1)require a written plan of care, authorization for Medicaid coverage of services in the facility, and periodic independent professional review; 2)provide for periodic on-site inspections of care by an independent professional review team (composed of a physician or registered nurse and other social service personnel), to evaluate the adequacy of the services, the necessity and desirability of continued placement in the facility, and the feasibility of meeting the recipient's health care needs through alternative institutional and noninstitutional services; and 3)require full reports to the Department of the inspection of care findings and any recommendations.

§1902(a)(33)(A) *Utilization Control* This provision requires that the plan provide that the State health or other appropriate medical agency, establish a plan for review, by professional health personnel, of the appropriateness and quality of Medicaid services to provide guidance to the Medicaid agency and State licensing agency in administering the Medical&program. (42 CFR part 456).

The Department requests a waiver of the provisions of § § 1902(a)(30), 1902(a)(31) and 1902(a)(33)(A), and 42 CFR part 456 to use alternative methods of quality

assurance and utilization review. A screening team will continue to assess a recipient's need for ICF/MR services under this project in the same manner as the assessment is done for ICF/MR services covered under the State plan for persons with developmental disabilities. An assessment will be done at least every twelve months to ensure a recipient continues to require an ICF/MR level of care. At a minimum, the screening team will consist of the recipient, the case manager, the recipient's parents or guardian, and a qualified mental retardation professional (as defined in 42 CFR 442.401). No member of the screening team may have a direct or indirect provider interest in the recipient's case.

A plan of care will be developed with the recipient by a team selected by the recipient. The plan of care will take into account the personal choices and goals of the recipient and the services and supports necessary to meet those outcomes. The outcomes and provider performance will be evaluated as described in the Section Three and *Appendix C* of this document.

§1902(a)(33)(B) *State Survey* ***Agency Functions.*** This provision requires that the state licensing agency determine whether a facility meets the applicable standards for participation in the Medicaid Program. The regulations at 42 CFR part 442, subpart C require that a facility be certified to meet the standards for participation as an ICF/MR in 42 CFR part 483 and in accordance with 42 CFR 440.150 (c) provide active treatment as specified in §483.440, before a Medicaid agency executes a provider agreement with the facility.

The Department requests that these provisions be waived. An ICF/MR participating in this project will not be required to be certified using the standards set forth at 42 CFR part 483 to enter into an agreement with the Department to provide ICF/MR services. Rather than imposing the process-oriented certification of standards for participation, the ICFs/MR participating in this project will be subject to the standards and monitoring as described in Section Three of this document and as specified in interagency agreements between participating counties and the state agencies. Recipient outcomes will be evaluated on an ongoing basis to measure and assure quality of services provided under this project.